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NIE 24-56 THE POLITICAL OUTLOOK AN ITALY
(Summary of Conclusions)

- Background This estimate considers principally the possibility of parliamentary cooperation between the governing Christian Democratic-dominated center coalition, which has only a slim parliamentary majority, and the parties to the extreme left, particularly the Nenni Socialists who are still allied to the Communists in a unity of action pact.
- by growing popular pressures for more rapid

 progress in a domestic referm program, by

 the governing center coalition's lack of the

 cehesien and discipline necessary to enact

such a program, and by the extreme left's

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tactics of supporting the coalition in important votes on domestic issues.

- A. Despite continued industrial growth

 and comparative financial stability,

 the severe problem of unemployment

 remains and the need for social reform
 persists.
- B. The Communists have suffered some setbacks during the past year. More important than these actual losses has been the psychological effect -- a widespread impression in Italy that the Communist Party has passed the senith of its electoral strength.
 - Party is still the largest in Western

 Europe, its electoral appeal remains



great, and the recent setbacks cannot be regarded as a decisive reversal of trend.

111. The Pelitical Outlook

A. The Christian Democratic Party will dominate all Italian governments
between now and the next general elections. Because of lack of agreement and discipline within the party, many of its leaders will probably welcome, and some may even solicit, the vetes of the Nenni Socialists to push the reformist program to which the Christian Democrats are committed. In this event, a tacit collaboration between the government and the

Sec.

Nenni Socialists would

probably emerge. We believe it unlikely, however, that such cellaboration would be translated into a formal agreement."

- B. "Such a tacit collaboration between the gevernment and the Nenni Socialists would be precarious and possibly short-lived..."
- down, the situation might relapse into virtual immobility, or during a period of severe governmental crisis could result in a formal agreement between the center and the extreme left. We believe, however, that the Christian Democratic leaders will in general continue their present course, avoiding either formal collaboration with Nenni

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or the virtually static government which would follow were they to surrender to rightist pleas for a halt in the reform program."

The next general elections must be held by 1958. Parliamentary strengths of the various parties will not be greatly altered although the political center of gravity will probably shift somewhat to the left.

and factions, struggles for possonal power among political leaders, the nature of progress toward reform, and possibly changes in the international situation might alter the direction or dimensions

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of present trends.

- E. Italian foreign policy is likely to continue its pro-Western character.

 Italy will probably, however, display increasing independence and seek to avoid the appearance of subservience to the United States.
 - tion were to continue for some time or to become formal, or if the Nenni Socialists actually participated in the government, there would be serious danger that Italy's pro-Western policy would be gradually eroded even though not officially abandoned.



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Ala Lians president Grouch Link

"new look" in Italy:

- A. Wants to change Italian from ceremonial to exerci
- B. Wants to encourage Italian of the left!
- C. His own Christian Democration of the democratic parties now discussion interested in these possibles.
- II. Gronchi is 68 years old. In appearance is attractive, impressive and articular speaker with personal flair for showning.
 - A. Long record of anti-Fascism, service to Christian Democratic Party, and public office.

III. Gronchi wants Italian presidency to
become US-style leadership.

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his purpose.

- B. Actually, nothing in Italian constitution prevents president from
 exercising powers similar to US
 president in domestic affairs:
 Italian president may not, however,
 negotiate foreign treaties.
 - C. Gronchi has already gone beyond presidential predecessors:
 - Insists on literal interpretation
 of requirement that all ministers
 present decrees of their ministries
 for presidential signature.
 - 2. Went over heads of cabinet and called meeting (late '55) of top-level Italian ambassadors and foreign affairs officials to 'discuss' foreign policy.

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Stated, on own initiative

Italy would recognize Communes

China, work for Peiping's

inclusion in UN.

- 4. Pushed through long-delayed establishment of constitutional court.
- 5. Established "kitchen cabinet",
 with access to opinions of
 Italian military, police and
 leftist political parties as wel
 as Vatican and US.
- IV. Gronchi's definition of term "opening to the left" appears to be CD promotion of reform policies, such as Vanoni plan, which would either draw support from leftist parties or show leftists up as actually not pro-reform.
 - A. Believes CD reform program could lure Nenni Socialists away from Communists



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And it, Grand it is a regular after the electory by

democratic and anti-Communist stand.

A. Also believes in and shows talent for maintaining CD unity and strength, while counting on varieties of opinion. within CD Party to extend scope of CD popular appeal.

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- VI. Gronchi's assets balanced by some liabilities:
 - A. Concentrates on Italian domestic problems somewhat to exclusion of world affairs.

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- C. While strongly aware of Communists'

 Moscow ties and cadre organization,
 reportedly fails to appreciate dangers
 of Communist penetration.
 - 1. Believes Commie power derives
 from popular support rather than
 "vociferous cadres", and holds
 that "you can't fool all the
 people all of the time."

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